

Esther Formula USA 5 Year Business Plan

Esther Formula USA
Lakeport House

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1. Business Overview

1.1 Background

Since the release of Esther Formula's Glutathione ODFs in Korea in 2021:

- Sales reached **250 MILLION Units** & achieved sales of **₩358.3 BILLION KRW** as of January 2024
- Maintained the **leading position in ODF (Orally Dissolving Films) market** for 3 years

Health food market is expected to reach ₩6.2 TRILLION KRW in 2024!

In the past 5 years, there was

- a **27% growth** in the market
- an **81.2% increase** in purchase experience rate

(Source: source: <https://www.medifonews.com/news/article.html?no=185782>)

The introduction of film-type products, and the recent Covid-19 pandemic, has sparked interest in ODFs due to their high absorption rates & convenience in consumption and portability. With the popularity of Esther Formula's Glutathione ODF product, this presents a strategic opportunity to expand our business.

1. Business Overview

1.2 Objectives

Esther Formula plans to take advantage of FDA's more lenient regulations.

- Esther Formula is limited due to KFDA's strict regulations on dietary ingredients and dosage
- FDA is more **lenient on dietary ingredients and dosage amounts**
 - Esther Formula potential products: CBD, Glutathione, Curcumin, Elastin & Collagen

Establish Esther Formula USA

- Further develop our technology
- Leverage lenient FDA regulations and **increase sales by developing new products**
- Target not only USA but **expand to countries in Asia and EU.**

Expand our product range to pet supplements.

- Growing trend in the pet supplement industry has led to increased pet supplement production.
- Due to ODF's ease of administration and rapid absorption rates has led to the introduction of ODFs into the pet supplement industry.

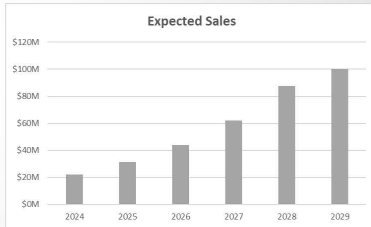
When compared to KFDA, FDA's lenient regulations provides an opportunity for growth and development for Esther Formula USA.

1. Business Overview

1.2 Objectives

Expected Sales

- Expected sales for **2024 are \$22M USD** and is expected to reach **\$100M USD by 2029**



Strategic Opportunities

- FDA regulations allows for the production of CBD ODFs** which is in demand not only in the US, but in Asia and EU.
- Glutathione, Curcumin, and Elastin & Collagen ODFs are the most popular Esther Formula products. By establishing Esther Formula USA, we can also **target consumers who prefer Made In USA** products.

1. Business Overview

1.3 Product Overview

The ODF technology:

ODFs are thin flexible sheets that dissolve quickly when placed in the mouth.

- Active ingredients are released and absorbed through the oral mucosa
- Rapid absorption (within 1 minute)
- High absorption rate through blood vessels
- Ease of portability and consumption

Benefits of ODFs compared to tablets, capsules, & softgels:

- No need for water
- No choking hazard
- Easy to carry around
- Better bioavailability



ODF offers benefits over traditional dosage forms like tablets, capsules, and softgels.

1. Business Overview

1.3 Product Overview

Esther Formula USA Products

Esther Formula USA will focus on producing the following 4 products first:



Once the US facility has established their place within the dietary supplement industry for human consumption, we will expand and enter the pet supplement industry.

Target Countries

- USA
- Asia
- European Union

Once establishing presence in the dietary supplement for human consumption segment, will expand to penetrate the pet supplement industry.

2. Company Overview

2.1 Company Status

Esther Formula USA

Location: Lakeport, California (Northern California)

Lakeport, California is where Clear Lake, the largest natural lake in California, is located. Known for their wineries, and cultivation of walnut, pear, and vineyard orchards.

The **region is conducive to CBD production** and sales and receives various support from the local government.

Facility & Construction Timeline

- **June 2022:** Esther Formula USA Corporation was established.
- **February 2023:** Cannabis Licensed facility was acquired and designing initiated.
- **August 2023:** Facility construction began with country approval.
- Expected **completion of construction March 2024.**
- **Official production to begin in April 2024**



Facility was designed and constructed to reach the daily target production of 1M films.

Facility will meet the highest standard of FDA GMP and will be audited for facility **GMP certification by NSF International**, an internationally recognized organization with one of the strictest standards.